

**STATE SENATOR • DEBORAH CHERRY • 26TH DISTRICT**

# Cherry Press Release

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## **CHERRY MOVES TO PROTECT CREDIT UNIONS FROM TAXATION** *Cites Non-profit Status as Key*

(LANSING) – State Senator Deborah Cherry (D-Burton) presented a resolution this week that urges the federal government not to impose taxes on credit unions.

Credit Unions are non-profit financial institutions created in 1934. Full senate support of the decree would memorialize the Congress to make permanent the 70-year-old tax-exempt status of the mutual financial organizations.

“Credit Unions are invaluable to the American worker,” Sen. Cherry said. “By providing low fees and offering low interest rates, they provide more choice and banking options for consumers.”

The resolution has been referred to the Senate Banking & Financial Institutions committee where further action will be considered.

Credit Unions became popular after the collapse of the banking system during the Great Depression. They are mainly distinguished from banks by their operation as democratic, one-person-one-vote institutions with an unpaid board of directors. All excess income is returned to credit union members in the form of higher deposit rates, lower loan rates and lower fees. Congress has reaffirmed the tax-exempt status of credit unions twice since their inception – in 1937 and 1951.

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*Sen. Deborah Cherry is a first-term Democrat from Burton, Michigan. She serves on the Senate Appropriations Committee, where she sits on the Higher Education, Department of Community Health, Department of Natural Resources and Capital Outlay subcommittees.*